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C O N F I D E N T I A L SECTION 01 OF 04 TAIPEI 003779

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TAGS: [PGOV](#) [TW](#)

SUBJECT: LY ELECTION AT THE TWO-WEEK MARK

REF: A. TAIPEI 03771

[B](#). TAIPEI 03340

[C](#). TAIPEI 02662

[D](#). TAIPEI 03294

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

[1](#). (C) Summary: The campaign for the December 11 Legislative Yuan (LY) election is entering its final phase with neither camp assured a majority of seats. On balance, campaign officials and observers project that the Pan-Green will win a plurality, leaving it within reach of a majority with the help of non-partisans. President Chen Shui-bian has dominated the campaign agenda, and his Democratic Progressive Party (DPP) is running a tightly coordinated campaign. In contrast, Pan-Blue candidates are running individualized campaigns, with many downplaying their partisan affiliations. The Kuomintang (KMT), which took a cautious nomination approach, will likely roughly retain its current seats, but its junior partner, the People First Party (PFP), is set to lose between 16-21 of its current 46 seats. Both sides have employed sharply negative themes in order to mobilize core supporters, but DPP officials say they will attempt a more positive appeal in the final weeks of the campaign in order to win over centrist voters. End Summary.

Some Preliminary Predictions

[2](#). (C) It is still too early to make solid predictions about the results of Taiwan's Legislative Yuan (LY) election scheduled for December 11. All major polls indicate that neither side has more than 50 percent of the electorate's vote, and differences in support rates for most candidates in each electoral district are well within the margin of error. Furthermore, polls in Taiwan are notoriously unreliable (Ref A) so predicting election outcomes is more art than science. Analysts are undaunted, however, and by far the most common assessment is that the Pan-Green will win several more seats than the Pan-Blue, but neither side will come away with an outright majority, so the balance will be held by independents. The second most likely outcome, according to the majority of observers, is that the Pan-Green will win a very slim majority. With the exception of the Pan-Blue public relations team, however, no commentators or political operators AIT has met predict the Pan-Blue will be able to hold onto its majority.

[3](#). (C) Turnout for the LY election is expected to be significantly lower than the 80 percent seen in the March presidential election, some say due to "election fatigue". Most observers expect turnout to be in the mid-60 percent range at best, a figure consistent with historical rates for LY elections (66 percent of eligible voters voted in the 2001, for example). Academia Sinica election researcher Hsu Yung-ming noted that this would mean 2.5 million voters who came out to the polls in March will stay home this December. With a margin of victory for the multiple seats in many districts of fewer than 1000 votes each, he said, all parties are therefore scrambling to mobilize their core supporters. However, Steve Hsieh (Hsiang-chuan) of the National Policy Foundation, a KMT think-tank, suggested that the Pan-Blue was at a decided disadvantage this election because as many as 1 million embittered Pan-Blue supporters might have emigrated to Shanghai, among other places, after Chen Shui-bian's victory in the March presidential elections. Taipei University professor Chiang Min-chin cited the same estimate from a weekly news magazine, and added that unlike Pan-Blue voters, who often have connections in the US, Canada and Mainland China, Pan-Green voters generally have no place to go, so their strength in Taiwan is only growing. (Comment: Pan-Blue officials frequently make this claim, but AIT has not seen any concrete, or even anecdotal, evidence to support it. End Comment.)

Creating a Sense of "Crisis"

[4](#). (C) Both sides seem to have decided that the best way of spurring apathetic voters into action is by manufacturing a sense of "crisis" for their constituents, primarily by ratcheting up the rhetoric and mounting vicious and negative attacks on their opponents. The danger that such tactics

would alienate moderate voters may be partly mitigated by the fact that such voters are among those least likely to turn out in December. Both camps, for example, have suggested that a victory for the other side would spell an end to Taiwanese democracy. The Pan-Blue claims that its control of the LY is the only thing standing in the way of a Chen Shui-bian dictatorship and accuse him of wielding undemocratic control over the press and the judiciary. The PFP's James Soong suggested that "a Pan-Green majority will mean war with China." KMT Chairman Lien Chan has repeatedly demanded that the DPP organize a referendum on independence to coincide with the December 11 election. KMT Culture and Publicity Department Deputy Director Chen Yu-mei told AIT that Lien's statements were meant to force the president to take an extreme position that would alienate centrist voters.

However, she bemoaned that the president easily side-stepped the attack and within 24 hours was back in control of the campaign agenda. The Pan-Blue's campaign agenda does not appear to be filtering down to the grass-roots level, where many candidates, especially those from outside Taipei, are actively downplaying their partisan affiliations.

CSB v. KMT

15. (C) While Chen has tacked to the pro-independence extreme on several occasions during the campaign, these have been mostly in response to statements by former President Lee Teng-hui rather than Lien Chan. The president's main focus, however, has been assailing the KMT for its party assets, its use of the national emblem for its party seal, and allegations that the Pan-Blue appealed to KMT loyalists in the Taiwan military to attempt a "soft coup" after the March 20 presidential election. National Security Council (NSC) Secretary General (and veteran campaign strategist) Chiou

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I-jen told AIT that these attacks are part of a calculated effort to blame the island's woes on the KMT's inability to disentangle itself from government. Chiou said the DPP is satisfied that the negative campaign push has succeeded in energizing the DPP base. Chiou said that in the final two weeks of the election, President Chen will shift to a more positive, substantive approach tailored to win over centrist voters. Political commentator Yang Hsien-hong assessed that Chen's move to the center would open up space for the Taiwan Solidarity Union (TSU), which has been largely marginalized in the campaign by Chen's domination of the Pan-Green air waves.

Peipiao Will be Key

16. (C) More than any of these issues however, the single biggest variable that will determine the outcome of the election in December will be intra-party vote distribution, or "peipiao." In Taiwan's multi-member district system, proper distribution of votes among candidates is often more important than the gross number of votes received (Ref B). The Pan-Green has a huge advantage in this area because the DPP enjoys greater party cohesion than the other parties and its candidates are more willing to cooperate with forced peipiao schemes. Adept use of peipiao allowed the DPP to take six percent more seats than its vote share would seem to have justified in the last election, according to ERA Polling Center Director Tai Li-an, and the party is focusing its efforts on repeating that success. Candidates in most districts run as a team and plans have already been made to ask voters to divide their votes based on the month of their birth or the last digit of their national ID card number. DPP voters, who tend to be more ideologically loyal to the party than to any particular candidate, can be expected reliably to follow the party's peipiao instructions.

Can the Pan-Blue Peipiao Successfully?

17. (C) Soochow University political science professor and political talk show host Emile Sheng (Chi-jen) asserted that successful DPP peipiao is a given, and that "the only variable is Pan-Blue peipiao." The outlook for the Pan-Blue in this regard is not good. KMT and PFP politics are dominated by personalities and their LY campaigns are far more candidate-based than party-based. KMT Culture and Publicity Deputy Chief Chen told AIT that prospects for vote coordination within the KMT are close to zero and the likelihood of establishing peipiao schemes with other Pan-Blue parties is even lower. Successful peipiao would be difficult under the best of circumstances, but Pan-Blue candidates are even less likely to show generosity in this election. Academia Sinica's Hsu suggested that this is because Pan-Blue candidates see this election as a "primary" for the 2008 LY election. Since the number of LY seats will be halved in 2008 under a constitutional amendment expected to be ratified in the spring (Ref C), it is widely believed that only incumbents from this election will be considered

for nomination in the next one, and those with the highest vote totals in 2004 will stand the best chance. An additional difficulty for the Pan-Blue is that, in opposition, it has few appointments to offer its most well-known national figures other than LY nominations. These "superstar candidates" are likely to take an unnecessarily large share of the vote in their respective districts, and are generally unwilling to cooperate with peipiao schemes, as these have famously backfired in the past, resulting at least twice in 2001 in the most popular candidate losing after his votes were "shared" away to weaker candidates.

Pan-Green Overnomination in the North? -----

18. (C) However, even the most perfectly implemented peipiao scheme is doomed to failure if the party has run too many candidates. The Pan-Green may be in greater danger in this regard. Encouraged by Chen's victory in the March presidential election, the DPP nominated aggressively in areas where Chen made major gains during the 2004 election. In many southern districts where it already enjoys high support levels, the DPP's nominees will likely find the necessary votes. In northern districts, however, which have historically favored the Pan-Blue, the Pan-Green's nomination strategy ranges from merely aggressive to downright reckless. The DPP is not entirely at fault here, however. The TSU, encouraged by media speculation that it could double its seats by riding the wave of growing Taiwanese identity, hastily decided to increase its nominations in almost every district. Most of these last-minute additions stand little chance of winning election, and will possibly drain enough votes from their TSU and DPP allies to give up a seat to the Pan-Blue. The NSC's Chiou acknowledged this danger and said the DPP would make a call by December 1 about culling weak candidates from several northern districts. Chiou noted that if the DPP dropped a candidate each from Taoyuan County, Taipei City North, and Taipei County's Second District it could guarantee a pick up of three seats over 2001 by securing the rest of its candidate list in these areas.

Pan-Blue Problems with Mavericks -----

19. (C) The Pan-Blue is not entirely free of overnomination worries, however. Lack of discipline among candidates has undermined the KMT's generally conservative nomination strategy in some districts, as the candidates who did not receive nominations decided to run anyway on their own. Such "maverick" candidates could potentially split the KMT vote in some decisive districts, giving up seats to the Pan-Green and reducing the KMT party's share of votes for the at-large proportional representation seats. Soochow University's Sheng noted that the political balance in Taipei City splits 65-35 in favor of the Blue, yet campaign officials on both sides predict that the Pan-Green will win half of the 20 seats in the capital due to poor Pan-Blue nominations and coordination (Septel).

The Decline and Fall of the PFP -----

10. (C) A greater concern for the Pan-Blue is the widespread perception that the PFP is on the verge of collapse as a result of the Pan-Blue's clumsy mismanagement of the proposed KMT-PFP merger and the PFP's increasingly extremist line on many policy issues. Most of the PFP's stronger incumbents, especially in northern districts, are unlikely to be hurt by this, but PFP newcomers and less well-known incumbents are in increasing danger. This has given rise to PFP calls for the KMT to include PFP candidates in its peipiao efforts, but with the exception of Nantou County (Ref D), these pleas have been ignored. Hsu Yung-ming offered a typical assessment of the Pan-Blue situation, saying that "the KMT will keep its seats because it nominated conservatively, but the PFP will suffer, going from 46 seats now to probably less than 30 after the election." PFP Acting Secretary General Chin Ching-Sheng separately offered an estimate of 25-30 seats for his party. LY President (and KMT Vice Chairman) Wang Jin-pyng was even more downbeat on the PFP, "they can count on 25 seats, but definitely no more than 28."

Comment: First Step Towards a Two Party System? -----

10. (C) Although it is too early to predict the final outcome of the LY election, some general shifts seem likely. The Pan-Blue will almost certainly lose its control of the LY, with its losses coming almost exclusively from the ranks of the PFP. The DPP stands to gain seats, but with TSU support remaining stagnant, an outright Pan-Green majority may be beyond its grasp. DPP officials are confident that if they are within 3-5 seats of a majority, they can assemble a working coalition with like-minded (or buyable) independents. Strong showings by the DPP and KMT vis-a-vis their junior coalition partners could reduce TSU and PFP ability within

the LY to push extremist agendas. However, much will hinge on what happens to the Pan-Blue after December 11. Opinion among Pan-Blue leaders over the opposition's post-election role is divided. Some officials, like Wang, have warned that the DPP will be allowed to dictate policy, with an unengaged and marginalized KMT sitting on the sidelines. KMT Taipei Mayor Ma Ying-jeou have emphasized the need for the KMT to play an active, responsible, balancing role in order to remain competitive for elections in 2006 and later. What sort of KMT emerges after December 11 could matter more than who wins on election day.

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